

**IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

Kal Freight Inc., *et al.*,

Debtors.¹

Chapter 11

Case No. 24-90614 (CML)

(Jointly Administered)

NOTICE OF DE MINIMIS ASSET TRANSACTION

PLEASE TAKE NOTICE that, on December 5, 2024, each of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101-1532.

PLEASE TAKE FURTHER NOTICE that, on December 11, 2024, the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”) approved an *Interim Order Establishing Procedures for De Minimis Parts and Tires Asset Transactions* [Docket No. 126] (the “Transaction Procedures Order”), whereby the Bankruptcy Court authorized the Debtors to sell certain non-core assets (collectively, the “De Minimis Assets”).

PLEASE TAKE FURTHER NOTICE that, pursuant to the Transaction Procedures Order, the Debtors propose to consummate the De Minimis Transaction(s) set forth and described on Exhibit A attached hereto to Candor Tires Inc. as the purchaser for the sum of **\$700,000.00**. Exhibit A provides, for each De Minimis Transaction: (a) identification of the De Minimis Assets being sold, the location(s) of such assets, and the estimated cost basis or wholesale price of such assets; (b) the purchaser of the De Minimis Assets; (c) the parties known to the Debtors as holding Liens on the De Minimis Assets, if any; (d) the purchase price; and (e) any other material economic terms and conditions of the sale.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Transaction Procedures Order, any recipient of this notice may object to the proposed transaction **by 4:00 p.m. (Central time) on the date that is three (3) business days of service of this notice.** Objections: (a) **must be in writing**; and (b) must be submitted by electronic mail to : (a) proposed counsel for the Debtors, Pachulski Stang Ziehl & Jones LLP, Attn: Teddy M. Kapur (tkapur@pszjlaw.com), Jeffrey W. Dulberg (jdulberg@pszjlaw.com), and Steven W. Golden, Esq. (sgolden@pszjlaw.com); (b) counsel for the Committee, Kane Russell Coleman Logan PC, Attn: Joseph Coleman (jcoleman@krcl.com) and William Hotze (whotze@krcl.com), and (ii) Brown Rudnick LLP, Attn: Robert Stark (rstark@brownrudnick.com) and Steven Levine (slevine@brownrudnick.com); and (c) counsel to

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification numbers, are: KAL Freight Inc. (0249); KAL Aviation LLC (2600); KAL Partz Inc. (0139); KAL Trailers & Leasing Inc. (0840); and KVL Tires Inc. (0320). The location of the Debtors’ service address in these Chapter 11 cases is 10156 Live Oak Ave., Fontana, CA 92335.

TBK, Jackson Walker LLP, Attn: Mike Held (mheld@jw.com) and Machir Stull (mstull@jw.com). If you object, the Debtors may not sell the Transaction Assets unless you and the Debtors consensually resolve the objection or upon further Bankruptcy Court order approving the sale of such Transaction Assets.

Dated: January 24, 2025

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Teddy M. Kapur

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Proposed Counsel to the Debtors and Debtors in Possession